

2009 TEXAS QUARTER HORSE ASSOCIATION RACE STALLION SERVICE PROGRAM

WITH TQHA SIRES' CUP RACES

TQHA Sires' Cup Futurity
\$50,000 Added *

TQHA Sires' Cup Derby
\$25,000 Added *

TQHA Sires' Cup Stakes
\$15,000 Added *

C O N T R A C T

Name of Stallion (indicate if TB)

Year Foaled

AQHA or Jockey Club Reg. #

Advertised Breeding Fee for 2009: \$ _____

Private Treaty or Syndicated Stallions: If a stallion stands at Private Treaty but has an "established breeding fee" or if a stallion is a syndicated stallion with an "established breeding fee", a minimum bid of 50% of that established breeding fee or \$500 (if the established fee is \$1,000 or more) whichever is greater, will be required. Should the established fee be less than \$1,000, a minimum bid of 50% or \$300 (whichever is greater) will be required. If your stallion stands at Private Treaty with an "established breeding fee" or is a syndicated stallion with an "established breeding fee", please list that fee for 2009 here: \$ _____

Reserves: If a stallion's advertised breeding fee is \$2,000 or more, the stallion owner may place a reserve of not more than 70% of the advertised fee on the breeding. If the breeding does not sell for the reserve amount, the owner must purchase, at least one week prior to nomination deadline for the Sires' Cup races, at the buy back fee of \$500 in order to be eligible for the 2009 TQHA Stallion Service Program as well as future Stallion Service Programs. If your stallion's advertised breeding fee is \$2,000 or more please complete the following information:

___ Yes, I would like to place a reserve of \$ _____ (May not exceed 70% of fee.)

___ No, I do not want to place a reserve on the sale of the breeding.

Other Fees: "Chute fees", "In-foal fees", "farm fees" and/or any additional charges (other than regular board charges) are **discouraged** for these donated breedings. All normal board and veterinarian charges will be paid by the mare owner. **If any additional charges related to this breeding will be charged to the mare owner it must be listed here:**

IMPORTANT: *The TQHA is NOT responsible for any additional fees applicable on this breeding.*

If you want to purchase the breeding that you are donating at this time, without it being offered to the public, you must include a check for that amount with this contract.

Stallion stands for \$1,000 or more and I wish to purchase my stallion's service at 50% of the 2009 advertised fee (or established breeding fee) or \$500, whichever is greater: ___ no ___ yes, check for \$ _____ enclosed

Stallion stands for less than \$1,000 and I wish to purchase my stallion's service at 50% of the 2009 advertised fee (or established breeding fee) or \$300, whichever is greater: ___ no ___ yes, check for \$ _____ enclosed

FARM INFORMATION:

STALLION DONOR/OWNER INFORMATION:

Name of Breeding Farm / Contact Person

Name(s) of Stallion Donor

Address Of Farm

Address Of Donor

City/State/Zip

City/State/Zip

Phone Number (please include area code)

Phone Number (please include area code)

**TEXAS QUARTER HORSE ASSOCIATION IS NOT RESPONSIBLE FOR ANY FEES
OR CHARGES WHICH ARE INCURRED AS A RESULT OF THIS BREEDING.**

Please review the TQHA Stallion Program conditions on the reverse side of this agreement.

If you have questions or need further information, please contact the

Texas Quarter Horse Association at (800) 945-6157.

I agree that if my stallion breeding does not sell during the regular sealed bid auction or during a subsequent offering, I will purchase my stallion's breeding from TQHA for \$500 if stallion stands for \$1,000 or more or \$300 if stallion stands for less than \$1,000. The breeding season must be repurchased one week prior to the nomination deadline of April 15, 2009 to maintain eligibility of the offspring.

I have read this contract and fully understand it and the rules as explained on the reverse side. I agree to abide by these rules, and that by enrolling the above stallion in the 2009 TQHA Stallion Program, I do agree to repurchase his donated breeding at the applicable minimum fee if that breeding does not sell.

Signature of Donor of 2009 Breeding

Date (Month/Day/Year)

*estimated

2009 TEXAS QUARTER HORSE ASSOCIATION TQHA RACING STALLION PROGRAM CONTRACT

The 2009 Texas Quarter Horse Association (TQHA) Stallion Program was established to promote and further secure the economic stability of the Quarter Horse industry for breeders and stallion owners.

TQHA STALLION PROGRAM CONDITIONS

Participation in the 2009 TQHA Stallion Program is open to owners of registered American Quarter Horse or Thoroughbred stallions for which at least one 2009 breeding has been entered within the deadlines outlined in this agreement and with the understanding that the breeding must be subsequently sold by TQHA or repurchased as provided herein. As a condition of this contract the stallion owner/donor must agree to the following:

(I) Only AQHA registered foals sired by stallions whose breeding are sold or repurchased as hereafter provided will be eligible to compete in the races funded by the 2009 TQHA Stallion Program. Persons wanting to breed non-Quarter Horse or Thoroughbred mares, must seek approval from the stallion owner. Resulting foals that are not AQHA registered will not be eligible to race in TQHA Sires' Cup races.

(II) The stallion owner/donor must guarantee a live foal (stands and nurses unassisted) on any breeding sold in this program. If the mare being bred is found not to be in foal, the stallion owner must re-breed that mare or a mutually agreeable mare to meet the live foal guarantee criteria. Re-breed privileges shall apply only to the next normal breeding period. TQHA must be notified of any re-breeding. A foal from rebreeding will only be eligible for the TQHA Stallion Program races in subsequent years if stallion maintains eligibility.

(III) The stallion owner may charge normal mare care charges to mare owners. Any other applicable fees such as chute fee or in-foal fee must be noted under the Special Conditions Of Sale and attached to this contract.

(IV) Should a stallion for any reason (such as change of ownership, death or removal of the stallion from the continental United States) not be able to re-breed a mare, the owner of the mare can receive credit toward a breeding to an available stallion entered in TQHA Stallion Service Program or request a refund of the amount paid for the breeding.

(V) If the mare dies while in foal, the stallion owner will honor a re-breed of another mare that is owned by the individual that owned the originally bred mare at the time of her death. A death certificate must be submitted to the stallion owner.

(VI) In order for a stallion to be entered in the 2009 TQHA Race Stallion Program the stallion owner's standard breeding contract must be completed in full and submitted to the TQHA along with a completed TQHA Stallion Program contract.

(VII) Once the stallion breeding has been sold, TQHA will notify the stallion owner/donor immediately by furnishing the name and address of the purchaser and will advise the purchaser to contact the stallion owner to make breeding arrangements. The TQHA is not responsible for any additional fees which are applicable to this breeding.

STALLION SERVICE AUCTION

After a stallion has been donated to the TQHA Stallion Program, services are offered for sale by competitive mail bidding. If a stallion stands at Private Treaty or is syndicated, an "established breeding fee" will be determined. In order for a bid to be considered, it must be received in the TQHA office by the specified date of stallion auction for at least 50% of the advertised or "established" 2009 breeding fee. If received prior to April 1, 2009 the bid must be for the greater of (a) 50% of the advertised or "established" breeding fee or (b) \$500 if the stallion stands for \$1,000 or more or \$300 if stallion stands for less than \$1,000.

(I) If the stallion owner wishes to purchase the breeding and remove it from public auction:

(a) if the stallion stands for \$1,000 or more, 50% of the advertised fee or \$500, (whichever is greater) or

(b) if the stallion stands for less than \$1,000, 50% or \$300, (whichever is greater)

(II) With the exception of breedings repurchased by donor, any breeding purchased through the 2009 TQHA Race Stallion Program must be used by purchaser, and may not be transferred or re-sold by the buyer.

OBLIGATION OF DONORS TO PURCHASE UNSOLD DONATED BREEDING

As a condition to each stallion entered, the stallion owner or donor must agree to purchase such breeding from TQHA if it is not sold by April 1, 2009, on the following terms:

(I) the stallion owner will be responsible for the mandatory buy-back fee if the breeding has not sold one week prior to April 15, 2009. This fee must be paid in full in order for the stallion owner to participate in current or future stallion programs. The repurchase fee for stallions standing for less than \$1,000 is \$300. For stallions standing for \$1,000 or more, the fee is \$500.

(II) breeding must be repurchased one week prior to nomination deadline of any 2009 TQHA Sires' Cup races to maintain eligibility of offspring.

ELIGIBILITY OF OFFSPRING

In order for a horse to be eligible to participate in the 2009 TQHA Sires' Cup races, limited to offspring of TQHA Stallion Program they must be:

(I) registered with the American Quarter Horse Association

(II) sired by a stallion whose service has been sold in the 2009 Stallion Service Auction or

(III) sired by a stallion whose service was donated and sold in the year prior to the foaling date of nominating horse.

(IV) all owner(s)/leasee(s) of said horse must be members of TQHA.

(V) comply with published race conditions for age and gender.

(VI) pay any applicable fees within deadlines.

USE OF FUNDS FROM 2009 STALLION SERVICE PROGRAM

50% of the funds from the 2009 TQHA Racing Stallion Service Program will be used as added money in races which will be restricted to AQHA-registered foals sired by stallions whose breedings sold in the 2009 or previous corresponding TQHA Racing Stallion Service Auction from which the horse was bred. The remaining 50% of the gross monies received from the 2009 TQHA Stallion Service Program will be retained by the TQHA for administering and advertising this program and other promotional race programs of the TQHA.

2009 TQHA SIRES' CUP RACES: Amounts equal to 50% of the money designated to be added to races will be added to races which will be restricted to Quarter Horse foals sired by stallions whose breedings sold in the 2009 TQHA Stallion Service Program or in prior years in which the foals were conceived. All AQHA registered horses that were sired by a stallion that sells in the 2009 TQHA Stallion Service Program will be eligible for nomination to the races.

(I) The donor of a breeding to the 2009 TQHA Race Stallion Service Program will receive one free berth per stallion donation, paid to the time of entry, in the 2009 TQHA Sires' Cup Futurity and Derby. These nominations are non-transferable and donor must name a foal sired by an eligible stallion on or before the nomination deadline for the race. At time of entry, donor must make the time of entry payment and any other applicable fees. Horse(s) nominated for TQHA Sires' Cup races must be owned or co-owned by donor of breeding.

(II) Stallion fee must be paid prior to nomination deadline for races.

(III) Other monies from the 2009 TQHA Stallion Service Program may be added to other such restricted races as deemed appropriate by the TQHA Executive Committee.

STALLION AWARD

Stallion awards representing up to 20% of the nominating and sustaining payments and the TQHA added money for the 2009 TQHA Sires' Cup Futurity, Derby and Stakes will be paid to the donor of the breeding of the stallion siring the first through fourth place finishers in the final. Other stallion awards may be paid from these funds in other races as deemed appropriate by the TQHA Executive Committee. The 20% stallion award will be distributed: 40%, 30%, 20%, 10%, respectively, for each race in places first through fourth.

EXECUTIVE COMMITTEE AND RULES

These rules may be altered or amended only by official action of the Executive Committee of the TQHA. Stallion owners, donors of breedings, purchasers of breedings and participants in races resulting from the 2009 TQHA Race Stallion Service Program agree to abide by and be governed by said rules and decisions of the Executive Committee of the TQHA.